ARPI® Perspective - Strategic Risk Policy® for the Nation: Why Australia's Strategic Thinking Must Evolve

Australia possesses no shortage of strategies. We have a National Defence Strategy, disaster risk reduction frameworks, critical infrastructure resilience plans, cyber security strategies, economic security initiatives and sector-specific risk management systems.

Collectively, these documents describe many of the challenges confronting the nation and increasingly recognise resilience as a national objective. Yet despite this growing body of work, Australia still lacks an integrated framework for understanding how all of those risks interact, where national vulnerabilities are concentrated and which assumptions underpin our prosperity and security.

Fragmented or separated intelligence results in fragmented or separated consideration of risk which misses the big picture of what intelligence means. Secondly, that fragmentation is based on isolated assessments of how to 'manage existing risks' as a reaction ('risk management') – rather than seeing potential or possible strategic risks based on the whole picture – described by ARPI® as Vulnerabilities or Exposures – where a different, co-ordinated executive consideration is possible and in time – enabling immediate action to protect against Vulnerabilities or Exposures – also preventing a panic to try to later mitigate risks or crises, if possible, when it's often too little or too late.

Australia's challenge is the absence of a coherent national architecture for analysing risk, and thus properly allocating resources to the highest priorities.

Most of our existing frameworks remain largely threat-led. They focus on hazards, adversaries, disruptions or emergencies, then identify capabilities to mitigate them. While this approach remains valuable, it can struggle to identify vulnerabilities that exist independent of any particular threat source. It lacks a time-value metric which Strategic Risk Policy® delivers.

The 2024 National Defence Strategy represents an important evolution in Australian strategic thinking. By introducing the concept of "National Defence", it explicitly recognises that Australia's security depends not only upon military power but also national resilience, industrial capability, supply chains, workforce capacity, technology and intelligence. The Disaster Risk Reduction Framework and Critical Infrastructure Resilience Strategy similarly emphasise interconnected systems, shared responsibility and all-hazards resilience. Together these developments point towards an emerging understanding that national security is fundamentally a systems problem, not merely a defence problem.

But what remains missing is a methodology capable of exposing the hidden connections between these various systems. Strategic Risk Policy® is a new systems-theory and model for leaders.

The Australian Risk Policy Institute's (ARPI®) "Dependency-Assumption-Vulnerability-Exposure-Opportunity" (D.A.V.E.O.™) framework offers a potential foundation for this next stage of strategic evolution, across all sectors at the highest levels to daily operational decisions. A national D.A.V.E.O.™ approach would begin by asking a different set of macro questions to what policy-makers have traditionally asked:

- What critical functions must Australia maintain under all circumstances?
- What dependencies enable those functions?
- What assumptions have become embedded within policy, industry and society?
- What vulnerabilities emerge if those assumptions prove false?
- What exposures arise from those vulnerabilities?
- And what opportunities exist to strengthen national resilience or gain strategic advantage?

It enables total risk visualisation for informed, pre-emptive and effective decision-making at executive level.

This approach shifts analysis away from individual threats and threat actors and towards the underlying conditions that make threats impactful on Australia's interests. Australia must begin by identifying the critical national functions whose failure would fundamentally impair national sovereignty, prosperity, or social stability.

For example, Australia's fuel security challenge is not fundamentally a fuel problem. It is a dependency problem. Food distribution, healthcare logistics, telecommunications maintenance, emergency management and defence operations all depend upon reliable access to fuel. Examining the dependency reveals the long-term assumption that imports remain available, the vulnerability created by low stockholding levels, and the exposure created by disruption. Equally, it can identify opportunities for investment, diversification and resilience that may address (thus reduce) multiple risks simultaneously.

A dependency-centred framework also helps reveal risks (earlier as Vulnerabilities or Exposures) that tend to fall between institutional boundaries. No portfolio is responsible for the cognitive security of the Australian population. No department manages trust in public institutions. No agency or level of government owns social cohesion. No single organisation owns Australia's dependence on space services, global finance, digital infrastructure or international shipping networks. Yet these dependencies underpin the functioning of the nation and represent potential points of systemic fragility.

Most importantly, a D.A.V.E.O.™ approach encourages close and honest examination of strategic assumptions. It has been developed through advanced R&D by the Australian Risk Policy Institute (ARPI®), an independent strategic leadership Institute.

History repeatedly demonstrates that major national shocks have rarely arisen from the risks governments have identified. Shocks have tended to arise when deeply held assumptions fail. Assumptions about warning time, alliance support, trust in globalisation, technological superiority, market behaviour, energy availability or societal stability often persist unchallenged precisely because they are widely accepted.

Groupthink and wilful blindness are persistent problems in politics and policy-making. A national framework that systematically surfaces and tests these assumptions would significantly strengthen Australia's ability to anticipate unexpected disruptions.

Such an approach would also enable more effective cross-government prioritisation. Rather than managing hundreds of disconnected risks as isolated matters, policymakers could identify the dependencies whose failure would have the most severe cascading consequences. This would create a practical basis for allocating resources, measuring resilience and evaluating strategic trade-offs across portfolios.

The next evolution of Australian strategic thinking should therefore not be another standalone strategy. It should be the creation of a national resilience architecture that integrates defence, economic security, critical infrastructure, emergency management and societal resilience and sustainability within a common analytical framework.

Australia has already begun moving away from a threat-based conception of national security towards a resilience-based model of national defence. A "Dependency-Assumption-Vulnerability-Exposure-Opportunity" (D.A.V.E.O.™) framework implementing Strategic Risk Policy® rather than relying on fragmented, insular and reactive risk management processes, offers one pathway towards achieving that objective: helping Australia understand not only what threatens the nation, but what the nation truly depends upon.

"Lest We Forget"

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